

Nebraska Library Commission

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January 15, 2010

The Honorable Lavon Heidemann
Chairperson, Appropriations Committee
Nebraska State Legislature

RE: 2009 Special Session Budget Actions

Dear Senator Heidemann:

This report is in response to your December 4, 2009, memorandum concerning budget actions resulting from the November, 2009, special legislative session. In accord with state fund appropriation reductions enacted during the special session the Library Commission has made budget changes in operations (program 252) and aid to libraries (program 302) programs. Most of our attention has been given to the current fiscal year. However, the Commission is addressing actions that will be necessary for the fiscal year beginning July 1.

The Library Commission has given first priority to retaining staff positions. The Commission is reducing operating expenses where possible to avoid implementing staff furloughs or layoffs. The Commission has reduced budgeted expenses for communications, microfilming, educational services (involving staff participation in educational events as well as Library Commission provided educational activities), and software and hardware purchases (including upgrades). The Library Commission has significantly reduced budgeted funds for purchase of publications for its reference and library science collection. And the Commission has significantly reduced budgeted funds for travel related expenses (including staff, Commission members, and advisory group members – for in-state and out-of-state travel).

The budget reductions for communications will have the effect of providing less timely information, less convenient and less extensive distribution. The reductions for the Library Commission's reference and library science collection will diminish the information available to Nebraska library workers and library science students who rely on these publications for their work and for their professional education. These publications are also sources used by the Commission's staff in responding to requests from libraries for information and advice on library operations, planning, policies and programming. Budget reductions for travel expenses will lessen the Commission's participation in library related events both in Nebraska and as part of professional and business meetings held outside of Nebraska. The Commission has

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discontinued out-of-state travel with the exception of events where another organization is covering travel expenses (example: Institute of Museum and Library Services).

The Library Commission anticipates two or more significant grants over the next two year period that would offset, in part, state funds for salaries and benefits. However, these are short term and are dependent on the Commission's success in being awarded these grants. Here I am referring to a federal Institute of Museum and Library Services grant, and a grant from the Bill & Melinda Gates Foundation. The Gates Foundation grant is contingent on a federal grant from the American Recovery and Reinvestment Act for a broadband service improvement project.

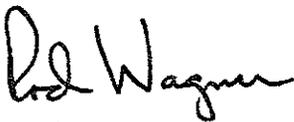
The Governor's request and policies related to a state employee pay freeze for the coming fiscal year could allow the Library Commission to avoid instituting employee furloughs or lay-offs.

In regard to the Library Commission's state funds appropriation for aid to libraries – budgeted funds for grants and contracts have been reduced. These include funding for children and youth related library services, and continuing education and training (for Nebraska library personnel). For next fiscal year the Commission is considering reductions for the larger aid components – state aid to public libraries (payments to accredited libraries), regional library systems, library lender compensation (interlibrary loan expense subsidies), and database licensing. While the funding levels for the Commission's aid related programs are not high they have had beneficial and successful results. Fund reductions have a direct effect on library services since these funds are used for direct public benefit.

In regard to the impact of the state funds reductions on federal funds – requirements for the Library Services and Technology Act require a state maintenance of effort. Calculations comparing state expenditures with the MOE requirement indicate that the Commission may be subject to a federal funds reduction estimated at 6%.

I will be pleased to provide further details and information.

Sincerely,



Rod Wagner
Director

c: Appropriations Committee members
Phil Hovis, Legislative Fiscal Office
Matt Eash, Dept. of Administrative Services, State Budget Division